

Lisa Nix Green v. PACT Board, Montgomery County Circuit Court, CV-2010-900013

On March 16, 2012, the Alabama Supreme Court vacated the PACT settlement. The Court's decision was based upon its interpretation that Ala. Code § 16-33C-19 prohibited the PACT Board from making any modifications of tuition and fee benefits. According to the Court, any attempt to modify benefits -- even with the mutual consent of PACT Contract holders -- would violate § 16-33C-19 and therefore would be void as contrary to law.

Following release of the decision, the Legislature promptly passed Act 2012-198. That legislation repealed § 16-33C-19 and included a new provision to specifically authorize the PACT Board to enter into a resolution with PACT Contract holders. The legislation further repealed the tuition caps set forth in § 16-33C-17.

The parties have asked the Court to reconsider its decision in light of Act 2012-198. All briefs now have been submitted on that issue, and a decision is awaited from the Court. In the interim, PACT will pay summer 2012 invoices at the value of tuition and qualified fees currently specified under PACT Contracts.

If reconsideration is granted, the Court will issue a new decision explaining what effect Act 2012-198 should have on the settlement. If reconsideration is denied, the case will be remanded to the trial court for further litigation.